

Paul drafts legislation to end IMF participation *Says taxpayers shouldn't pay to bail-out of rich investors, foreign leaders*

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WASHINGTON, DC - Citing as a "last straw" the decision of the Administration and the directors the International Monetary Fund to bailout the Asian markets, US Representative Ron Paul (R-Surfside, Texas) has crafted legislation to end all US participation in the IMF. He will not be able to officially introduce the legislation until the first day Congress returns to session, January 27.

"The IMF was a bad idea from the beginning: economically, constitutionally and morally," said Paul, who serves on the House Banking and Financial Services committee and has long been recognized as an expert in monetary policy and free-market economics since serving on the Gold Commission in the 1980s. "The IMF exists only as welfare for the very rich investors and to keep afloat reckless political institutions which have policies that destroy their own economies. By subsidizing the irresponsible economic behavior of South Korean, Indonesian and other leaders with these lucrative bailouts, the US and the IMF only encourage other nations to play fast and loose with the basic laws of economics."

Paul has long-been a critic and opponent of US participation in the IMF, which he says operates zealously to bailout the bad investments of Wall Street bankers.

"The big bankers and investors quite correctly support the notion of less government and economic liberty when we talk about their profits, but when losses occur they are quick to call for the government to socialize the burden. If we were to put purple dye on the taxpayers' money that we are today sending these countries under the auspices of the IMF, the Wall Street fat cats will be walking around with purple pockets tomorrow.

The money also funds lavish bailout bureaucracy salaries and corrupt foreign government officials - all of whom argue for the gravy train to continue. But the Constitution clearly defines what the federal government can do, and prohibits everything else. Nowhere in the Constitution is the federal government authorized to take money from taxpayers to save foreign leaders and wealthy investors from paying for their reckless and risky behavior."

Rather than forcing working Americans to bail out the foreign nations, foreign competitors and domestic investors, Paul said the market should make the needed corrections without US government intervention.

"By socializing any losses domestic investors may stand to suffer, we encourage them to place their money in risky situations. If there was not the assurance that the federal government would sock it to the taxpayer to bailout the investors, the investors would be a lot less likely to put their money in risky situations."

Participation in the IMF accounted for more than \$4.6 billion of the US national debt in 1991, according to figures available from the Congressional Research Service.

"It is immoral that Congress taxes a single working mother so that the federal government can bailout the bad decisions of foreign leaders and domestic investors," said Paul.

Under the Articles of Agreement with the IMF, there is an existing framework by which a country may withdraw from participation. If Representative Paul's legislation becomes law, the money "lent" to the IMF from the US government would be repaid to Treasury.

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